

Name \_\_\_\_\_

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) Small businesses tend to be: 1) \_\_\_\_\_  
A) balanced between labour and capital intensity.  
B) labour intensive.  
C) capital intensive.  
D) none of the answers are correct.

Answer: B

- 2) Which of the following is not an advantage of small business ownership? 2) \_\_\_\_\_  
A) More free time B) Independence  
C) Skill development D) Challenge

Answer: A

- 3) The risks of self-employment include all but which of the following? 3) \_\_\_\_\_  
A) Income uncertainty  
B) The business takes over the life of the owner.  
C) Work more than 9-5 schedule  
D) Guaranteed income

Answer: D

- 4) The primary reason most people start their own business is to: 4) \_\_\_\_\_  
A) gain independence. B) build for their family.  
C) use their skills/abilities. D) earn large sums of money.

Answer: A

- 5) In which phase is entrepreneurship most important? 5) \_\_\_\_\_  
A) Building a sufficient customer base B) Maintaining a positive cash flow  
C) Start-up process D) Hiring of key employees

Answer: C

- 6) The entrepreneurial start-up process begins with: 6) \_\_\_\_\_  
A) a visit to the banker for start-up funds.  
B) an innovative idea that is refined as the idea is thought through.  
C) a visit to the library for more information on the business.  
D) a visit to a business professor for advice.

Answer: B

- 7) The ability to see, conceive, and create new and unique products/services is: 7) \_\_\_\_\_  
A) product development. B) risk-taking.  
C) innovativeness. D) locus of control.

Answer: C

- 8) Personal characteristics of successful entrepreneurs include: 8) \_\_\_\_\_
- A) risk-taking and access to financial resources.
  - B) risk-taking and perseverance.
  - C) perseverance.
  - D) having a business degree.

Answer: B

- 9) Entrepreneurial traits include: 9) \_\_\_\_\_
- A) being a team player.
  - B) works through others.
  - C) developing strategy.
  - D) creativity.

Answer: D

- 10) Profit Magazine found that owners of small- and medium-sized businesses on average worked: 10) \_\_\_\_\_
- A) 60 hours per week.
  - B) 40 hours per week.
  - C) 54 hours per week.
  - D) 45 hours per week.

Answer: C

- 11) Even though they own their own businesses, entrepreneurs must still answer to: 11) \_\_\_\_\_
- A) customers and suppliers.
  - B) their boss.
  - C) neighbours.
  - D) no one.

Answer: A

- 12) Which of the following is not a primary cause of small business failure? 12) \_\_\_\_\_
- A) Floods and tornados
  - B) Lack of understanding financial information
  - C) Lack of financial capacity
  - D) Incompetence and inexperience

Answer: A

- 13) The major causes of business failure include: 13) \_\_\_\_\_
- A) growing too quickly.
  - B) number of competitors.
  - C) a type of small business.
  - D) a manager not holding a business degree.

Answer: A

- 14) Which of the following is not a characteristic of a successful small business? 14) \_\_\_\_\_
- A) Ability to attract and hold employees
  - B) Thoroughness with operating details
  - C) Alertness to change
  - D) High operating expenses

Answer: D

- 15) Which of the following is not an external shock that can negatively affect small business success? 15) \_\_\_\_\_  
A) Loss of suppliers B) Downturn in the economy  
C) Poorly planned expansion D) Changes in interest or currency rates  
Answer: C
- 16) Specific areas of managerial incompetence contributing to small business failure include: 16) \_\_\_\_\_  
A) company management does not ask for help.  
B) lack of financial skill.  
C) poor or non-existent management information systems.  
D) all of the answers are correct.  
Answer: D
- 17) Entrepreneurial skills are required to: 17) \_\_\_\_\_  
A) sell the business. B) solidify existing operations.  
C) maintain a business. D) start a business.  
Answer: D
- 18) Managerial traits include: 18) \_\_\_\_\_  
A) skills in several functional areas. B) creativity.  
C) innovativeness. D) risk-taking.  
Answer: A
- 19) In which situation would it be the most appropriate to utilize managerial skills? 19) \_\_\_\_\_  
A) Maintaining control of operations B) Generating ideas  
C) Generating solutions to problems D) Adding new products to the line  
Answer: A
- 20) Managerial skills are required to: 20) \_\_\_\_\_  
A) start a business. B) expand product lines.  
C) develop new ideas. D) maintain a business.  
Answer: D
- 21) Which of the following is not an entrepreneurial trait? 21) \_\_\_\_\_  
A) Independence B) Flexibility  
C) Innovativeness D) Teamplayer  
Answer: D
- 22) Which of the following is not one of the Ten Commandments for intrapreneur success? 22) \_\_\_\_\_  
A) Come to work each day willing to be fired  
B) Ask for resources before asking for advice  
C) Honour your sponsor  
D) Share credit wisely  
Answer: B

23) The primary motives of an intrapreneur are:

23) \_\_\_\_\_

- A) recognition, staff, and promotion.
- B) Independence, ability to advance, and gain corporate rewards.
- C) independence, opportunity to create, and money.
- D) promotion and other traditional corporate rewards such as office, staff, and power.

Answer: B

24) Many large organizations realize that to remain competitive, they need to encourage:

24) \_\_\_\_\_

- A) intrapreneurial activity.
- B) confidence-building activity.
- C) entrepreneurial activity.
- D) risk-taking activity.

Answer: A

25) The time orientation of an entrepreneur is:

25) \_\_\_\_\_

- A) long term (15-20 year plan)—to ensure continued growth of business.
- B) short term—meeting quotas and budgets, weekly, monthly, quarterly, and the annual planning horizon.
- C) medium term (two to four years)—depending on the urgency to meet self-imposed and corporate timetable.
- D) survival and achieving a 5-10 year growth of the business.

Answer: D